

Message Text

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ACTION IO-10

INFO OCT-01 EUR-12 ISO-00 AID-05 EB-07 AF-10 ARA-10 EA-10

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UNCLAS SECTION 1 OF 2 VIENNA 9875

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SUBJ: UNIDO - FIFTH SESSION OF PERMANENT
COMMITTEE, ID/B/C.3/29

REF: STATE 256243

1. SUMMARY. TELEGRAM REPORTS ESSENCE OF UNIDO
DOCUMENT CONCERNED WITH FOLLOW-UP OF RECOMMENDATIONS
OF AD HOC COMMITTEE ON LONG-RANGE STRATEGY. END SUMMARY.

2. ID/B/C.3/29, "MEASURES TAKEN OR PLANNED RELEVANT TO
THE CONCLUSIONS OF THE AD HOC COMMITTEE ON LONG-RANGE
STRATEGY FOR UNIDO," PREPARED PURSUANT IDB RES 42A (VIII),
PARTICULARLY PARA 2(E). PAPER RECEIVED NOV. 21. TWO
COPIES POSTED SAME DAY BY INTERNATIONAL AIR MAIL TO
IO/CMD - HOFFMAN; BALANCE OF REGULAR DISTRIBUTION AIR
POUCHED, LEAVING VIENNA NOV. 22.

3. PAPER IS 10 PAGES, APPRECIABLE PORTION OF WHICH
IS DEVOTED TO SELECTIVE SUMMARIES OF AHC'S
CONCLUSIONS (ID/B/142) ON SIX GROUP OF HIGH-LEVEL
EXPERTS' RECOMMENDATIONS. THEME OF BUDGETARY
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INSUFFICIENCY REAPPEARS THROUGHOUT, AND THREE PARA

SECTION ENTITLED "CONCLUSIONS" DEVOTED EXCLUSIVELY TO STATEMENT OF FINANCIAL CONSTRAINTS AND NEED TO INCREASE UNIDO BUDGET. FOR MOST PART, PAPER LINKS AHC CONCLUSIONS TO "STRENGTHENED" OR "INTENSIFIED" LEVEL OF ACTIVITIES ALREADY UNDERWAY.

4. FOLLOWING PARAS FOLLOW SUBHEADINGS CONTAINED ID/B/C.3/29 AND PROVIDE MORE SIGNIFICANT THEMES. (SOME "INSTANT ANALYSIS" IS INCLUDED, BUT MORE DELIBERATE ANALYSIS THAN TIME PERMITS FOR DRAFTING THIS CABLE SHOULD BE MADE TO COMPARE WITH AHC REPORT, IN ORDER IDENTIFY WHICH, IF ANY, IMPORTANT CONCLUSIONS IGNORED).

A. INDUSTRIAL STRATEGIES AND POLICIES. SECRETARIAT GUIDED BY PARAS 25-27 OF AHC REPORT IN UPDATING 1975 WORK PROGRAM AND IN PREPARING PROPOSED 1976-77 BIENNIAL PROGRAM/BUDGET AND 1976-79 MEDIUM-TERM PLAN. UNIDO'S STUDY PROGRAM ENHANCED BY STRENGTHENING OF COOPERATION BETWEEN UNIDO AND REGIONAL COMMISSIONS. PARA 9 OF SECRETARIAT REPORT DESCRIBES THE STUDY PROGRAM AS ONE WHICH "WILL BE AIMED AT ANALYZING AND OBTAINING BETTER UNDERSTANDING OF SOME OF MAIN PROBLEMS CONFRONTING LDC'S IN THEIR INTERNATIONAL RELATIONS AND IMPACT OF THOSE RELATIONS ON THEIR INDUSTRIALIZATION PROCESS." WHILE THESE PROBLEMS ARE IMPORTANT, THIS AREA OF UNIDO STUDIES IS ONLY ONE OF FIVE LISTED IN PARA 25 OF AHC REPORT.

B. OPERATIONAL ACTIVITIES. SECRETARIAT WILL BASE EFFORTS CONCENTRATE ITS RESOURCES ON ANALYSIS OF "CURRENT AND FUTURE PATTERNS" OF LDC DEMAND AS DEMONSTRATED VIA COUNTRY PROGRAMMING PROCESS; IT SEEKING STRENGTHEN ITS "MECHANISM" FOR SUCH REVIEW AND ANALYSIS. DEMAND AS MEASURED FOR 1976-77 BIENNIAL PROGRAM INDICATES RESOURCES FOR TECHNICAL ASSISTANCE DISTRIBUTED AS FOLLOWS: 43 PERCENT TO INDUSTRIAL TECHNOLOGY, 36 PERCENT TO INDUSTRIAL SERVICES AND INSTITUTIONS, AND 21 PERCENT TO INDUSTRIAL POLICIES AND PROGRAMMING. (MISSION'S SNEAK PREVIEW OF 1976-77 UNIDO PROGRAM/BUDGET UNCLASSIFIED

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REVEALED THAT STAFF TO BE FINANCED BY REGULAR BUDGET DURING 76-77 BIENNIAL STILL ALMOST EQUALLY DISTRIBUTED AMONG THE THREE DIVISIONS.) DEMAND IN TERMS OF PROGRAM COMPONENTS GREATEST FOR INDUSTRIAL PROGRAMMING (IPP) - 15 PERCENT, ENGINEERING INDUSTRIES (IT) - 14 PERCENT, SMALL-SCALE INDUSTRIES (ISI) - 12 PERCENT AND INDUSTRIAL INSTITUTIONS (ISI) - 12 PERCENT; DEMAND LOWEST FOR BUILDING MATERIALS INDUSTRIES (IT) -

3 PERCENT AND FERTILIZER, PESTICIDE AND PETROCHEMICAL INDUSTRIES (IT) - 3 PERCENT.
(CURIOUS APPARENT CONTRADICTION EXISTS BETWEEN DEMAND AS MANIFESTED UNDER COUNTRY PROGRAMMING AND HIGH PRIORITY ATTACHED TO FERTILIZER-RELATED INDUSTRIES IN IDB AND WORLD FOOD CONFERENCE.) CONTINGENT ON MORE ADEQUATE BUDGETARY RESOURCES FIELD ADVISER PROGRAM SHOULD BE EXPANDED TO PERMIT "IMPROVED AND INTENSIFIED CONSULATIONS" WITH LDC GOVTS AND UNDP. THREE PARAS ARE DEVOTED TO EFFORTS TO INCREASE SHARE OF EXPERTS RECRUITED FROM LDC'S. UNIDO PREPARED ADVISE LDC'S ON ACQUISITION, UNDER THE MOST FAVORABLE CONDITIONS, OF THE INDUSTRIAL EQUIPMENT THEY NEED TO IMPLEMENT THEIR DEVELOPMENT PLANS. (SUCH ADVICE FROM UNIDO CONTINUES TO LEAVE US UNEASY.) CENTRAL PLANNING, PROGRAMMING AND EVALUATION SECTION WAS ESTABLISHED SINCE IDB-VIII TO ASSIST IN QUOTE SYSTEM OF CONTINUOUS EVALUATION OF (UNIDO'S) OPERATIONAL ACTIVITIES IN THE LIGHT OF RECOMMENDATION I. END QUOTE. EVALUATION PROCESS ALSO BENEFITTING BY "INTENSIFIED" COOPERATION WITH UNDP AND GOVTS. UNIDO "WILL BE INCREASING ITS PARTICIPATION IN UNDP COUNTRY PROGRAMMING EXERCISE" BY INTENSIFIED ACTIVITY "AT THE PRE-PROGRAMMING AND PROGRAMMING STAGES IN TERMS OF STUDIES AND COUNTRY BRIEFS" AND IN LATER STAGES OF COUNTRY PROGRAMMING PROCESS. (THIS RESPONDS, OF COURSE, TO MAJOR U.S. OBJECTIVE IN AHC.)

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C. CLEARING-HOUSE OF INDUSTRIAL INFORMATION.
UNIDO "INTENSIFYING" ITS EFFORTS ASSIST LDC'S BUILD UP INDIGENOUS INFO CENTERS, AND IF UNDP PROVIDES MORE FUNDS WILL STEP UP INDUSTRIAL INFO TRAINING. IN ABSENCE OF SUFFICIENT FINANCIAL RESOURCES TO RETRIEVE AND DISSEMINATE INFO NEEDED BY LDC'S, UNIDO CLEARING-HOUSE HAS INTRODUCED REFERRAL SERVICE. "SPECIAL ACTION" ALSO BEING TAKEN TO PROCEED WITH COMPUTER INFO STORAGE/RETRIEVAL SYSTEM (INDIS), AND "A MAIN FUNCTION" OF UNIDO INDUSTRIAL INFO SERVICE IS "PROVIDE ASSISTANCE IN ESTABLISHMENT OF INSTITUTIONAL FACILITIES FOR INDUSTRIAL INFORMATION." (WE ARE NOT SURE WHAT THIS MEANS, BUT LIKE THE SOUND OF IT.)

D. CENTRAL COORDINATING ROLE. NOTING DIVERGENCE OF VIEW BETWEEN LDC'S AND "OTHER DELEGATIONS" RE SUFFICIENCY OF UNIDO'S LEGAL AUTHORITY IN THIS AREA AND ADEQUACY OF UNIDO FINANCIAL LIMITATIONS, PAPER SAYS, IN EFFECT, SECRETARIAT WILL CONTINUE AS BEFORE PENDING RECEIVING UNIDO-IT'S RECOMMENDATIONS.

E. PROMOTIONAL ACTIVITIES. ESSENTIALLY, SECRETARIAT SAYS IT WILL CONTINUE AND STRENGTHEN ITS PRESENT PROMOTIONAL ACTIVITIES (INVESTMENT AND EXPORT PROMOTION), SEEKING IMPROVEMENT IN ITS EFFORTS SCREEN UNCLASSIFIED

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INVESTMENT PROJECTS, GREATER FINANCIAL RESOURCES PERMITTING. IN RATHER CRYPTIC PARA 33, UNIDO PROMISES IMPLEMENT UNDP INVESTMENT FOLLOW-UP GUIDELINES ON INCREASED SCALE, IN ORDER FURTHER ORIENT THEIR INVESTMENT PROMOTION ACTIVITIES TOWARDS SUPPORT OF UNIDO OPERATIONAL ACTIVITIES. ADVISORY PANEL ON TECHNIQUES OF INVESTMENT PROMOTION RECOMMENDED BY AHC "IN PROCESS" OF BEING CONSTITUTED. (THIS IS ONE OF RATHER FEW NEW DEVELOPMENTS DIRECTLY RESPONSIVE TO AHC RECOMMENDATIONS AND U.S. OBJECTIVES.)

F. ORGANIZATIONAL AND FINANCIAL REQUISITES. IN EARLIER PASSAGE, PAPER CORRECTLY STATES THAT AHC REACHED NO AGREEMENT WITH REGARD TO THE PRIORITY TO BE ALLOTTED TO THIS AHC/HLE RECOMMENDATION. PAPER REPORTS ON ESTABLISHMENT OF CENTRAL PLANNING, PROGRAMMING AND EVALUATION SECTION AND ITS QUITE IMPRESSIVE TERMS OF REFERENCE (SOMEWHAT OUT OF KEEPING WITH SIZE AND STAFFING OF THE SECTION) AND OF INTRA-DIVISIONAL PROGRAMMING TASK FORCE (CHARGED WITH "ESTABLISHING THEMES AND GENERAL PRINCIPLES GOVERNING THE BUDGETARY REQUIREMENTS" AND WITH DEVELOPING PROPOSALS FOR

IMPROVING UNIDO'S QUARTERLY REVIEW PROCEDURES), TO WHICH FOREGOING SECTION ACTS AS TECHNICAL SECRETARIAT. PAPER ALSO REPORTS REORGANIZATION OF ED'S OFFICE, PLACING FOREGOING PLANNING AND COORDINATION FUNCTIONS UNDER ED'S SENIOR ADVISER (AFIFI), EXTERNAL RELATIONS NOT RELATED DIRECTLY TO OPERATIONAL ACTIVITIES UNDER SECRETARY OF IDB (THESE FUNCTIONS PREVIOUSLY SHARED BETWEEN GOURI'S FORMER OFFICE AND SYLLA), AND CREATING NEW "FIELD SUPPORT SECTION" (UNDER IRENE LORENZO) IN ED'S OFFICE. ON QUESTION OF GREATER ADMIN AND FINANCIAL AUTONOMY, BRIEF REFERENCE IS MADE TO SYG'S TWO REPORTS TO 29TH UNGA, AND RELATIVELY LENGTHY PITCH IS MADE FOR SEPARATE INDUSTRIAL DEVELOPMENT FUND, PREMISED--PERHAPS FOR TACTICAL REASONS--IN PART ON POSITIVE IMPACT SUCH FUND WOULD HAVE ON STRENGTHENING OF UNIDO RESEARCH AND STUDIES. SECRETARIAT ALSO TAKES OPPORTUNITY TO MAKE HIGHLY PRESEMPITIVE STATEMENT THAT SYG'S REPORT SHOWS "THAT THE ESTABLISHMENT OF A

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UN INDUSTRIAL DEVELOPMENT FUND WOULD ALLOW UNIDO TO FUNCTION AS AN EFFECTIVE ORGANIZATION IN ASSISTING THE DEVELOPING COUNTRIES TO INCREASE THEIR SHARE IN WORLD INDUSTRIAL PRODUCTION, WHILE STIMULATING HARMONY AND COOPERATION AMONG DEVELOPED AND DEVELOPING COUNTRIES." (PAPER IGNORES ALL OTHER AHC SUB-RECOMMENDATIONS UNDER RECOMMENDATIONS VI).

G. CONCLUSIONS. SEE PARA THREE ABOVE. STIBRAVY

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